# The Keystone XL Pipeline

The proposed construction of the Keystone XL pipeline would play a huge role in our country's economic recovery. The Keystone XL project is a high-tech petroleum pipeline that would transport crude oil derived from the Athabasca Oil Sands in western Canada nearly 1,700 miles to processing facilities throughout the United States. *To read more*, *click here*.

## Why isn't America building more refineries?

A decade ago, 158 refineries operated in the United States and its territories and sporadic refinery outages led many policy makers to advocate new refinery construction. Fears that crude oil production was in decline also led to policies promoting alternative fuels and increased vehicle fuel efficiency. Since the summer 2008 peak in crude oil prices, however, the U.S. demand for refined petroleum products has declined, and the outlook for the petroleum refining industry in the United States has changed.

In response to weak demand for gasoline and other refined products, refinery operators have begun cutting back capacity, idling, and, in a few cases, permanently closing their refineries. By current count, 124 refineries now produce fuel in addition to 13 refineries that produce lubricating oils and asphalt.

Even as the number of refineries has decreased, operable refining capacity has actually increased over the past decade, from 16.5 million barrels/day to over 18 million barrels/day. U.S. refiners now face the potential of long-term decreased demand for their products.

This is the result of legislative and regulatory efforts that were originally intended, in part, to accommodate the growing demand for petroleum products, but which may now displace some of that demand. These efforts include such policies as increasing the volume of ethanol in the gasoline supply, improving vehicle fuel efficiency, and encouraging the purchase of vehicles powered by natural gas or electricity.

Because of market forces, technological changes, and regulatory pressures on the refining industry, additional refineries are likely to close even as some of the more technologically complex and efficient refineries are likely to expand.

### Hydro-power production in the U.S.

My colleagues and I on the Natural Resources Committee are committed to an "all-of-the-above" energy approach and this includes support for hydropower projects as a renewable energy source.

Hydropower, generated mainly from hydroelectric dams, is a clean, renewable, non-emitting source of energy that provides low-cost electricity and helps reduce carbon emissions. U.S. hydroelectric generation is the second largest in the world, providing 7% of domestic electricity production and much larger percentages in the western states. It is more efficient than any other form of electricity generation and offsets more carbon emissions than all other renewable energy sources combined.

I supported and the House passed House Resolution 2842, The Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act. H.R. 2842 would streamline the regulatory process to ensure the timely development of clean, renewable hydropower on federal water canals and pipelines. This legislation would eliminate unnecessary red tape for irrigation districts and electric utilities to jump start small hydropower projects and create much-needed jobs in Colorado. Also, the bill would authorize the Secretary of the Interior (acting through the Bureau of Reclamation) to contract for the development of small conduit hydropower at Bureau facilities. This would exclude such activities from the jurisdiction of the Federal Energy Regulatory Commission [FERC].

## President Obama's offshore drilling subsidy to Brazil

On March 19, 2011 President Obama announced that the U.S. is looking forward to being

Brazil's "best customer" in buying oil from their offshore drilling. This policy to purchase more foreign oil comes after the Obama administration invested over \$2 billion with Brazil's state-owned oil company, Petrobras, to finance exploration of the huge offshore discovery in Brazil's Tupi oil field in the Santos Basin near Rio de Janeiro. With this new policy, President Obama is promoting an offshore drilling partnership with Brazil, while at the same time placing moratoriums against U.S. companies drilling in our own waters. This not only means an increased dependence on foreign oil, but also jobs that should be created in the U.S. will be created in Brazil.

When Secretary of the Interior Ken Salazar testified before the House Natural Resources Committee, I have confronted him about the Obama Administration's resistance to domestic energy production, including offshore exploration. Sadly, Secretary Salazar and the President continue to drag their feet on domestic energy production and fail to realize that safe and stable energy opportunities are located here in the U.S.

As a Marine Corps combat veteran, I believe it is imperative that we take into consideration the national security implications of our energy policy. The United States currently imports more than 50% of the petroleum we use. To make America more secure we need to reduce our dependence on foreign sources of oil. I support a broad-based energy policy that calls for utilizing more domestic energy sources – including oil, natural gas, clean coal, nuclear, and renewable resources – while doing more to conserve precious energy supplies. Utilization of renewable energy is expected to continue expanding at a rate of approximately 2% each year. Unfortunately, as our use of renewable energy increases so too will our overall energy consumption. Renewables alone aren't enough. For the foreseeable future we will need additional sources of domestic energy. The United States is home to some of the largest untapped energy reserves in the World. The largest of these reserves can be found in Colorado's oil shale, the Outer Continental Shelf and the Alaska National Wildlife Refuge.

I believe that the United States should move forward with efforts to access domestic energy in areas like the Outer Continental Shelf. To address this, in the previous session of Congress, I have sponsored several pieces of legislation, including the American Energy Act (H.R. 2846), which encouraged the responsible development of America's vast domestic energy resources including the Outer Continental Shelf.

#### **Natural Gas Development**

I support a broad based energy policy that calls for utilizing more domestic energy sources – including oil, natural gas, clean coal, nuclear, and renewable resources – while doing more to conserve energy supplies.

Under this policy, I support the increased utilization of natural gas because it will play a key role in meeting U.S. energy demands. It currently makes up about 24% of U.S. energy consumption – and it primarily domestically produced. This contribution of natural gas to the U.S. energy supply is expected to remain fairly constant for the next 20 years. At the U.S. production rates for 2007, about 19.3 trillion cubic feet, the current recoverable resource estimate provides enough natural gas to supply the U.S. for the next 90 years. Separate estimates of the shale gas resources extend this supply to 116 years.

President Obama's proposed Fiscal Year 2012 budget, which requests significant tax increases for oil and natural gas companies, is an effort by the Administration to fund its clean energy initiatives through revenues from the oil and natural gas industry. Such policies can be characterized as the government picking winners and losers in the marketplace and further reinforce our nation's dependence on foreign sources of oil by reducing our domestic capacity for energy production.

As a member of the House Committee on Natural Resources, I have legislated to alleviate the barriers to domestic production for all types of energy. I do not support the government funding one energy production source over another, including natural gas. A free market approach would allow the best and most economical energy solutions that will not only continue to fuel our nation but also provide the most job opportunities for Americans. During these economic times, we have to pursue all avenues that could help spur economic growth and job creation.

For this reason, I did not support from H.R. 1380, the New Alternative Transportation to Give Americans Solutions Act of 2011, which would have given preferable treatment to natural gas. After careful review, I became concerned about the cost associated with this legislation. I absolutely support using natural gas as a transportation fuel but I do not support having the taxpayers spend up to \$64,000 per truck and up to \$100,000 to install a single natural gas pump.

Legal Workforce Act/E-Verify

On June 14, 2011, Representative Lamar Smith introduced House Resolution 2164, the Legal Workforce Act, which would mandate the use of E-Verify for 99% of all hirings within two years. This piece of legislation is the culmination of years of debate, and represents the best chance of passing one of the most important initiatives in the immigration debate.

To be sure, it is not a perfect bill. I would have preferred stronger language. Nevertheless, only a handful of states have E-Verify laws that are even close to as stringent as this bill, and the states most likely to harbor illegal aliens will never adopt legislation that would root out illegal immigrants. Furthermore, the bill allows states the leeway to protect their own citizens against the harmful effects of illegal immigration.

The Legal Workforce Act represents the best opportunity to reach the President's desk, but I will support amendments to perfect this bill and strike the correct balance between federal mandates and local enforcement. This issue is too important and too vital to let slip by, and I will vote for this bill when it comes before the full House of Representatives.